

Message Text

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43

ACTION EA-10

INFO OCT-01 EUR-12 ISO-00 SAJ-01 NIC-01 IGA-01 ACDA-05

CIAE-00 DODE-00 PM-03 H-01 INR-05 L-02 NSAE-00 NSC-05

PA-01 RSC-01 PRS-01 SP-02 SS-15 USIA-06 AID-05

COME-00 EB-07 FRB-01 TRSE-00 XMB-02 OPIC-03 CIEP-01

LAB-04 SIL-01 OMB-01 STR-01 CEA-01 DOTE-00 INT-05

OES-03 FEA-01 SWF-01 AGR-05 BIB-01 /116 W

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R 101529Z DEC 74

FM AMEMBASSY MOSCOW

TO SECSTATE WASHDC 5265

INFO CINCPAC

AMCONSUL HONG KONG

AMEMBASSY LONDON

AMEMBASSY PARIS

USLO PEKING

AMEMBASSY PHNOM PENH

AMEMBASSY VIENTIANE

AMEMBASSY TAIPEI

C O N F I D E N T I A L MOSCOW 18390

CINCPAC FOR POLAD

E.O. 11652 GDS

TAGS: PFOR, UR, VN

SUBJ: SOVIET-DRV RELATIONS: NEW AID AGREEMENT

REF: MOSCOW 18319

1. ON DECEMBER 9 POLITICAL COUNSELOR AND EMBOFF HANDLING

ASIAN AFFAIRS CALLED ON KUZNETSOV, DEPUTY CHIEF OF THE

MFA'S SOUTHEAST ASIA DIVISION, AND ASKED HIM ABOUT NEW

SOVIET AID AGREEMENT WITH DRV (REFTEL). KUZNETSOV

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REPLIED THAT THE NEW AGREEMENT IS A ROUTINE ANNUAL ACCORD

MUCH LIKE THE ONES SIGNED IN AUGUST 1973 AND DECEMBER 1972. HE SAID THAT THE NEW AGREEMENT, LIKE ITS PREDECESSORS, HAS TWO COMPONENTS: A CREDIT (AMOUNT NOT SPECIFIED BY KUZNETSOV, BUT "ABOUT THE SAME" AS IN THE PAST TWO AGREEMENTS) AND AN EXCHANGE OF GOODS, ALSO GENERALLY PEGGED AT SAME LEVEL AS LAST YEAR. VALUE OF THE LATTER IS 40-50 MILLION RUBLES PER YEAR, HE SAID, "NOT A VERY SIGNIFICANT AMOUNT." DRV EXPORTS WILL CONSIST MAINLY OF TRADITIONAL GOODS, HANDICRAFTS AND AGRICULTURAL PRODUCTS. HANOI IS VERY INTERESTED, KUZNETSOV SAID, IN INCREASING ITS PRODUCTION OF AGRICULTURAL GOODS AND CERTAIN OTHER HIGH VALUE ITEMS FROM WHICH IT CAN GAIN MORE EXPORT EARNINGS. THE FURTHER DEVELOPMENT OF TRADE, HOWEVER, WILL REQUIRE ADDITIONAL TIME AND TRAINED PEOPLE.

2. KUZNETSOV SAID THAT THE AGREEMENT PROVIDES FOR THE CONTINUATION OF SOVIET ASSISTANCE FOR THE DRV'S ECONOMIC DEVELOPMENT, AND THAT MACHINERY, INCLUDING VEHICLES AND ROAD-BUILDING MACHINERY, WOULD BE THE LARGEST CATEGORY OF GOODS TO BE PROVIDED BY MOSCOW.

3. WHEN ASKED ABOUT THE PROVISION IN THE NEW ACCORD FOR "GEOLOGICAL EXPLORATION," KUZNETSOV DENIED THAT IT HAD ANYTHING TO DO WITH OIL. NORTH VIETNAM HAS GREAT MINERAL WEALTH, HE SAID, BUT ITS RESOURCES ARE NOT WELL EXPLOITED AND THEIR EXTENT IS NOT EVEN KNOWN. THE NEW ACCORD CALLS ONLY FOR A GENERAL GEOLOGICAL SURVEY. IT WILL BE ENTIRELY LAND-BASED, HE SAID.

4. PRAVDA (DECEMBER 10) CARRIES A TASS ITEM REPORTING MORE FULLY ON SOVIET PRIME MINISTER NOVIKOV'S LUNCH FOR DRV DEPUTY PRIME MINISTER NGUYEN DUY TRINH ON DECEMBER 8 (REFTEL). TASS SAID THAT TRINH AND NOVIKOV HAD EXCHANGED SPEECHES AT THE LUNCH, BUT CITED ONLY TRINH, WHO STRESSED THE SIGNIFICANCE OF THE NEW SOVIET AID AGREEMENT AND THANKED THE SOVIETS FOR THEIR SUPPORT. NOVIKOV'S REMARKS WERE NOT REPORTED.

5. COMMENT: WHILE KUZNETSOV'S REMARKS ON THE AID AGREEMENT WERE NOT VERY STARTLING, WE ARE STRUCK AND ENCOURAGED
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BY HIS WILLINGNESS TO DISCUSS IN DETAIL THE TERMS OF A SOVIET AGREEMENT WITH A SOCIALIST ALLY.
STOESSEL

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